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BEFORE THE ARIZONA CORPORATION COMMISSION 1 Arizona Corporation Commission DOCKETED **COMMISSIONERS** 2 2007 FEB 21 P 12: 0b JEFF HATCH-MILLER- CHAIRMAN FEB 21 2007 3 WILLIAM A. MUNDELL AZ CORP COMMISSION MIKE GLEASON **DOCKETED BY** 4 DOCUMENT CONTROL KRISTIN K. MAYES **GARY PIERCE** 5 DOCKET NO. E-00000A-99-0431 IN THE MATTER OF THE STAFF REPORT ON INTERCONNECTION FOR THE GENERIC INVESTIGATION OF DISTRIBUTED 7 JOINT COMMENTS OF TUCSON GENERATION. 8 **ELECTRIC POWER COMPANY** AND UNS ELECTRIC, INC. 9 10 11 Tucson Electric Power Company and UNS Electric, Inc. (collectively, "UniSource 12 Energy") respectfully submit these comments in response to the Arizona Corporation 13 Commission's ("Commission") Staff Report on Interconnection for the Generic Investigation of 14 Distribution Generation filed January 24, 2007 ("Staff Report"). UniSource Energy appreciates 15 the opportunity to comment on this important issue. 16 UniSource Energy found the collaborative workshop process to be very rewarding and 17 appreciates Staff's analysis in resolving areas where agreement could not be reached. While 18 UniSource Energy recognizes that interconnection standards are a work in progress, we believe the 19 Staff Report is an excellent first step. UniSource Energy therefore has only one comment on the 20 Staff Report. 21 22 In Section 5, the Staff Report contains the following language concerning annual reporting: 23 The annual report shall include, for the reporting period, a summary of the number of complete Applications received, the number of complete 24 Applications approved, the number of complete Applications denied by level, and the reasons for denial. 25 26 While UniSource Energy agrees that annual reporting can be a valuable tool, it is 27

concerned that the above language will result in a large volume of data of reasons for denial, much

of which is not useful in the Staff's stated purpose of monitoring how well the interconnection process is working. Systems of 10 kW and below of interconnected capacity will generally fall into the Level 1 screen criteria. As this screen is simple and straightforward, there is little to be gained in reporting specific reasons for denial of these systems. Systems larger than 10 kW of interconnected capacity will be evaluated using Level 2 and Level 3 screens and will be required to meet more restrictive standards. Reporting the reasons for denial of these applications is valuable in evaluating the appropriateness of the Level 2 and Level 3 screen criteria. UniSource Energy therefore recommends that the annual reporting of reasons for denial be limited to systems above 10 kW.

To that end, UniSource Energy suggests the following language:

The annual report shall include, for the reporting period, a summary of the number of complete Applications received, the number of complete Applications approved, the number of complete Applications denied, and for systems above 10kW, the reasons for denial.

In addition to this language recommendation, UniSource Energy suggests that the upcoming rulemaking on interconnection standards include a provision for utility-requested waivers of specific details of the interconnection standards to allow for changing generation technologies and the aggregate impacts of interconnected distributed generation, which are generally not addressed by this interconnection standard.

Again, UniSource Energy appreciates the opportunity to comment on this important issue and would be happy to answer any questions regarding the content of this filing. We look forward to participating in the rulemaking process.

1 RESPECTFULLY SUBMITTED this 21st day of February, 2007. 2 TUCSON ELECTRIC POWER COMPANY UNS ELECTRIC, INC. 3 4 5 Michelle Livengood One South Church Avenue 6 Tucson, Arizona 85702 7 and 8 Michael W. Patten 9 Roshka DeWulf & Patten One Arizona Center 10 400 East Van Buren Street, Suite 800 Phoenix, Arizona 85004 11 12 Attorneys for Tucson Electric Power Company and UNS Electric, Inc. 13 14 Original and thirteen copies of the foregoing 15 filed this 21st day of February, 2007, with: 16 Docket Control 17 Arizona Corporation Commission 1200 West Washington Street 18 Phoenix, Arizona 85007 19 20 21 22 23 24 25 26

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